

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES
BILATERAL AGREEMENT BETWEEN UNITED STATES POSTAL
SERVICE AND SINGAPORE POST LIMITED (MC2010-35)
NEGOTIATED SERVICE AGREEMENT

Docket No.
R2014-5

**NOTICE OF UNITED STATES POSTAL SERVICE OF TYPE 2 RATE ADJUSTMENT,
AND NOTICE OF FILING FUNCTIONALLY EQUIVALENT AGREEMENT**
(February 12, 2014)

Pursuant to authorization from the Governors of the United States Postal Service (Postal Service), the Postal Service provides notice of a Type 2 rate adjustment, in accordance with 39 CFR § 3010.40 *et seq.*, which results in improvement over default rates established under the Universal Postal Union (UPU) Acts for inbound small packets with delivery scanning. This notice concerns a modification of the bilateral agreement for inbound market dominant services with Singapore Post Limited ("Singapore Post"), which the Postal Regulatory Commission ("Commission") reviewed in Docket No. R2012-1.¹ The modification extends the agreement filed in Docket Nos. R2012-1, R2013-5, and R2013-8 (the "Singapore Post Agreement")² until March 31, 2015. In Order No. 995, the Commission determined that the Singapore Post Agreement should be included in the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-35, R2010-5 and R2010-6)

¹ PRC Order No. 995, Order Approving Rate Adjustment for Singapore Post-United States Postal Service Letter Post Bilateral Agreement Negotiated Service Agreement, Docket No. R2012-1, November 23, 2011.

² See PRC Order No. 995; PRC Order No. 1610, Order Approving an Additional Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with Singapore Post), Docket No. R2013-5, January 3, 2013; PRC Order No. 1766, Order Approving Modification to Singapore Post Limited – United States Postal Service Bilateral Agreement, Docket No. R2013-8, June 26, 2013, at 4.

product on the market dominant products list.³ Subsequently, the Commission determined that modifications filed in Docket Nos. R2013-5 and R2013-8 that extended the Singapore Post Agreement until June 30, 2013, and March 31, 2014, respectively, were also included in the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-35, R2010-5 and R2010-6) product on the market dominant products list.⁴ On January 29, 2014, the Postal Service and Singapore Post signed an additional modification to the Singapore Post Agreement (“Singapore Post Agreement Modification Four”), to extend the Agreement until March 31, 2015, and add one sentence to Annex 2 of the Singapore Post Agreement.

The Postal Service demonstrates below that Singapore Post Agreement Modification Four that is the subject of this docket is functionally equivalent to the agreement filed in Docket Nos. R2012-1, R2013-5, and R2013-8 (the “Singapore Post Agreement”).⁵ Accordingly, Singapore Post Agreement Modification Four should be included within the same product.

In accordance with 39 C.F.R. § 3010.41, the Postal Service is required to provide public notice no later than 45 days prior to the intended implementation date, and to transmit notice to the Commission no later than 45 days prior to the intended implementation date of a negotiated service agreement. To satisfy this requirement, the Postal Service is filing Singapore Post Agreement Modification Four with the Commission more than 45 days before the intended effective date of Singapore Post Agreement Modification Four, which is April 1, 2014.

³ Order No. 995, at 7.

⁴ Order No.1610, at 8; Order No. 1766, at 5.

⁵ The Modification makes two changes: (1) it states that the agreement will remain in effect until March 31, 2015; and (2) it adds an additional sentence to Annex 2 of the Singapore Post Agreement, which concerns Small Packet with Delivery Scanning Requirements. See Attachment 2.

A copy of Singapore Post Agreement Modification Four is included as Attachment 2. A redacted copy of the Singapore Post Agreement filed in Docket No. R2012-1 is included as Attachment 3. A copy of Singapore Post Agreement Modification Two and a redacted copy of Singapore Post Modification Three, which were the subject of Docket Nos. R2013-5, and R2013-8 respectively, are included as Attachments 4 and 5. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file.

A copy of the Singapore Post Agreement filed in Docket No. R2012-1, Singapore Post Agreement Modification Three, and the supporting financial documentation establishing compliance with 39 U.S.C. § 3622 and 39 C.F.R. § 3010.42 are being filed under seal with the Commission. The Postal Service's application for non-public treatment of the applicable materials is included with this filing as Attachment 1.

I. Notice of Agreement and Rate Adjustment

A. Satisfaction of the Criteria under Part 3010, Subpart D of the Rules of Practice and Procedure

The Postal Service provides the following answers, descriptions, and affirmations in response to the criteria for contents of a notice of agreement in support of a negotiated service agreement, as provided in 39 C.F.R. § 3010.42. This statement provides support for the implementation of the Singapore Post Agreement Modification Four and the establishment of the rates offered therein.

- (a) ... [A] notice of agreement that shall include at a minimum:*
- (1) A copy of the negotiated service agreement;*
 - (2) The planned effective date(s) of the proposed rates;*
 - (3) A representation or evidence that public notice of the planned changes has been issued or will be issued at least 45 days before the effective date(s) for the proposed new rates; and*

(4) The identity of a responsible Postal Service official who will be available to provide prompt responses to requests for clarification from the Commission.

As described above, a copy of Singapore Post Agreement Modification Four is included as Attachment 2 of this filing. The modification's inbound market dominant rates are expected to become effective on April 1, 2014. Public notice of these rates is being given through this Notice at least 45 days before the intended effective date. Ms. Arneece Williams, Acting Director, Global Business Solutions, will be available to provide prompt responses to requests for clarification from the Commission.

(b) A statement identifying all parties to the agreement and a description clearly explaining the operative components of the agreement.

As with its predecessor agreement that is the subject of Docket No. R2013-8, the parties to Singapore Post Agreement Modification Four are the United States Postal Service and Singapore Post, the designated postal operators of the United States of America and Singapore, respectively. This agreement includes negotiated pricing for inbound small packets with delivery scanning.

(c) Details regarding the expected improvements in the net financial position or operations of the Postal Service. The projection of change in net financial position as a result of the agreement shall include for each year of the agreement:

(1) The estimated mailer-specific costs, volumes, and revenues of the Postal Service absent the implementation of the negotiated service agreement;

(2) The estimated mailer-specific costs, volumes, and revenues of the Postal Service which result from implementation of the negotiated service agreement;

(3) An analysis of the effects of the negotiated service agreement on the contribution to institutional costs from mailers not party to the agreement; and

(4) If mailer-specific costs are not available, the source and derivation of the costs that are used shall be provided, together with a discussion of the currency and reliability of those costs and their suitability as a proxy for the mailer-specific costs.

The Postal Service provided the required information regarding expected financial improvements, costs, volumes, and revenues in the financial workpapers that it filed under seal with this Notice.

- (d) *An identification of each component of the agreement expected to enhance the performance of mail preparation, processing, transportation or other functions in each year of the agreement, and a discussion of the nature and expected impact of each such enhancement.*

Other than extending the term of the Singapore Post Agreement and adding one sentence to Annex 2 Small Packet with Delivery Scanning Requirements, Singapore Post Agreement Modification Four does not materially change the terms of the Singapore Post Agreement. The Postal Service requests the Commission to refer to the notice filed in Docket No. R2012-1 for a discussion of components of the agreement expected to enhance the performance of mail preparation, processing, transportation, or other functions, and the nature and expected impact of such enhancements.⁶

- (e) *Details regarding any and all actions (performed or to be performed) to assure that the agreement will not result in unreasonable harm to the marketplace.*

Other than extending the term of, and adding an additional sentence to Annex 2 of, the Singapore Post Agreement, Singapore Post Agreement Modification Four does not materially change the terms of the Singapore Post Agreement. Therefore, the Postal Service requests the Commission to refer to the notice filed in Docket No. R2012-1 for the discussion of any details regarding actions to assure that the agreement will not result in unreasonable harm to the marketplace.⁷

⁶ See Notice of United States Postal Service of Type 2 Rate Adjustment and Notice of Filing Functionally Equivalent Agreement, Docket No. R.2012-1, October 14, 2011, at 4-5.

⁷ See *id.* at 5-6; see also Order No. 995, at 5.

- (f) *Such other information as the Postal Service believes will assist the Commission to issue a timely determination of whether the requested changes are consistent with applicable statutory policies.*

The Postal Service is presenting only an extension and the addition of one sentence to Annex 2 to an agreement to deliver Letter Post in the United States that is tendered by a foreign postal operator, i.e., negotiated rates for an inbound market dominant product.

B. Data Collection Plan

Under 39 C.F.R. § 3010.43, the Postal Service must include with its notice of agreement “a detailed plan for providing data or information on actual experience under the agreement sufficient to allow evaluation of whether the negotiated service agreement operates in compliance with 39 U.S.C. [§] 3622(c)(10).”⁸ The Postal Service intends to report information on this agreement through the Annual Compliance Report. The Postal Service will continue to cooperate with the Commission to provide any necessary information about mail flows from Singapore Post within the course of the annual compliance review process. Therefore, the Postal Service proposes that no special data collection plan be created for this agreement. Furthermore, with respect to service performance measurement, the Postal Service notes that this agreement is excepted from separate reporting under 39 C.F.R. § 3055.3(a)(3) by virtue of Commission Order No. 996. That Order provided a standing exception for all agreements filed in the International Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product grouping.⁹

⁸ 39 C.F.R. § 3010.43.

⁹ See Order No. 996, Order Concerning an Additional Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement, Docket No. R2012-2, November 23, 2011, at 7.

C. Statutory Criteria

Under 39 U.S.C. § 3622(c)(10), the criteria for the Commission's review are whether the agreement (1) improves the net financial position of the Postal Service or enhances the performance of operational functions, (2) will not cause unreasonable harm to the marketplace, and (3) will be available on public and reasonable terms to similarly situated mailers. The first two criteria have been addressed in Part I.A. above. With respect to the third criterion, there are no entities that are similarly situated to Singapore Post in their ability to tender broad-based small packet flows from Singapore under similar operational conditions and UPU documentation. Therefore, the Postal Service finds it difficult to conceive of a "similarly situated mailer" to which it could make a similar agreement available; accordingly, the Postal Service views this criterion as inapplicable in this instance.¹⁰ Because all of the criteria set forth in 39 U.S.C. § 3622(c)(10) have been met, the Postal Service respectfully urges the Commission to act promptly by allowing the Singapore Post Agreement Modification Four's rates to be implemented under 39 C.F.R. § 3010.40, as requested.

II. Functional Equivalence

The Commission, in Order No. 1864,¹¹ called upon the Postal Service to put forth, in its "next" filing of an agreement in this product group, a proposal for the identification of the appropriate baseline for comparison of agreements for the purpose of determining whether a new agreement is functionally equivalent to others in an

¹⁰ See PRC Order No. 163, Order Concerning Bilateral Agreement with Canada Post for Inbound Market Dominant Services, Docket Nos. MC2009-7 and R2009-1, December 31, 2008, at 9-10 ("Given its narrow characterization of the underlying Agreement, the Postal Service's position [as to 'similarly situated mailers'] is correct. For purposes of this proceeding, the Commission concludes that it would be largely an academic exercise to consider whether a broader characterization should be employed.").

¹¹ PRC Order No. 1864, Order Approving an Additional Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with Korea Post), Docket No. R2013-9, October 30, 2013, at 8 and 10.

existing product grouping such that it can be included in that group. The Postal Service filed a Motion for Partial Reconsideration of Order No. 1864 and incorporates by reference the substance of that motion here.¹²

The Postal Service posits that the Singapore Post Agreement Modification Four is functionally equivalent to the agreements previously filed and included in the product grouping for Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1, because it is very similar to the predecessor Singapore Post Agreement Modification Three, which was the subject of Docket No. R2013-8. The main difference is that Singapore Post Agreement Modification Four includes the addition of one sentence to Annex 2 of the Singapore Post Agreement. Singapore Post Agreement Modification Three was found by the Commission to be appropriately classified in the Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 product grouping, because it met all of the applicable statutory and regulatory requirements.¹³

As with its predecessor agreement, Singapore Post Agreement Modification Four fits within the Mail Classification Language for the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product grouping. Therefore, the Singapore Post Agreement Modification Four and its predecessor agreement conform to a common description. The agreements share a common market. The financial models used to project costs and revenues for the duration of the agreements are similar. Therefore, the Postal Service submits that Singapore Post Agreement

¹² Motion for Partial Reconsideration of Order No. 1864, Docket No. R2013-9, November 6, 2013.

¹³ PRC Order No. 1766, at 5.

Modification Four is functionally equivalent to its predecessor, which is a logical baseline agreement to use for the purposes of this comparison.

There are, however, two differences between Singapore Post Modification Four and its predecessor. Singapore Post Modification Four extends the agreement until March 31, 2015, and adds an additional sentence to Annex 2 of the Singapore Post Agreement. Neither of these differences have an effect on the similarity of market characteristics of the agreements or the similarity of their cost characteristics. Therefore, the Postal Service does not consider that the differences detract from the conclusion that Singapore Post Agreement Modification Four is functionally equivalent to its predecessor agreement in the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product grouping.

III. Application for Non-Public Treatment

The Postal Service maintains that certain portions of the agreement and related financial information should remain confidential. In accordance with 39 C.F.R. § 3007.21, the Postal Service files as Attachment 1 to this Request its application for non-public treatment of materials filed under seal. A full discussion of the required elements of the application appears in Attachment 1.

IV. Conclusion

For the reasons discussed, the Postal Service urges that the Singapore Post Agreement Modification Four discussed herein be added to the product listing for Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators 1 product.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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ATTACHMENT 1

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Commission in this docket. The materials pertain to the Singapore Post Agreement Modification Four that is the subject of this docket, which amends the inbound market dominant agreement between the Postal Service and Singapore Post Limited ("Singapore Post Agreement") originally filed in Docket No. R2012-1, and supporting documents establishing compliance, which are being filed separately under seal with the Commission. A redacted copy of the Singapore Post Agreement is filed with the Notice as Attachment 3, and a redacted copy of the Singapore Post Agreement Modification Three is filed with the Notice as Attachment 5.² In addition, a redacted version of the supporting financial documentation is included with this public filing as a separate Excel file.

The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c) below.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

¹ PRC Order No. 225, Final Rule Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

² Modification Four to the Singapore Post Agreement, which is the subject of this docket, as well as Modification Two to the Singapore Post Agreement, which is the subject of Docket No. R2013-5, are included, without redactions, as Attachments 2 and 4 in this filing.

The materials designated as non-public consist of information of a commercial nature that would not be publicly disclosed under good business practice. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).³ Because the portions of the materials that the Postal Service is applying to file only under seal fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

(2) Identification, including name, phone number, and e-mail address for any third party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

In the case of the instant Modification and supporting documents, the Postal Service believes that the only third party with a proprietary interest in the materials is the foreign postal operator with whom the contract is made. Through text in Singapore Post Agreement Modification Four and the Singapore Post Agreement, the Postal Service has already informed the postal operator, in compliance with 39 C.F.R. § 3007.20(b), of the nature and scope of this filing and the operator's ability to address its confidentiality concerns directly with the Commission. Due to the sensitive nature of the Postal Service's relationship with

³ In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

the affected foreign postal operator, the Postal Service proposes that a designated Postal Service employee serve as the point of contact for any notices concerning Singapore Post Modification Four. The Postal Service identifies as an appropriate contact person Ms. Arneece Williams, Acting Director, Global Business Solutions. Ms. Williams' phone number is (202) 268-6705, and her email address is Arneece.L.Williams2@usps.gov.⁴

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

In connection with its Notice filed in this docket, the Postal Service included Singapore Post Agreement Modification Three, the Singapore Post Agreement, and financial workpapers associated with Modification Four. These materials were filed under seal, with redacted copies filed publicly, after notice to the affected postal operator. The Postal Service maintains that the redacted portions of Modification Three, the Singapore Post Agreement, and related financial information should remain confidential.

With regard to Singapore Post Agreement Modification Three and the Singapore Post Agreement filed in this docket, the redactions withhold the actual prices being offered between the parties under Modification Three and the Agreement, as well as certain negotiated terms. The redactions applied to the financial workpapers protect commercially sensitive information such as

⁴ The Postal Service acknowledges that 39 C.F.R. § 3007.21(c)(2) appears to contemplate only situations where a third party's identification is "sensitive" as permitting the designation of a Postal Service employee who shall act as an intermediary for notice purposes. To the extent that the Postal Service's filing might be construed as beyond the scope of the Commission's rules, the Postal Service respectfully requests a waiver to designate a Postal Service employee as the contact person under these circumstances, for the reasons provided in the text above.

underlying costs and assumptions, negotiated pricing, and cost coverage projections. To the extent practicable, the Postal Service has limited its redactions in the work papers to the actual information it has determined to be exempt from disclosure under 5 U.S.C. § 552(b).

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the portions of Singapore Post Agreement Modification Three, as well as the Singapore Post Agreement, that the Postal Service determined to be protected from disclosure due to their commercially sensitive nature, were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. Information about negotiated pricing is commercially sensitive, and the Postal Service does not believe that such information would be disclosed under good business practices. Foreign postal operators could use the information to their advantage in negotiating the terms of their own agreements with the Postal Service. Competitors could also use the information to assess the offers made by the Postal Service to foreign postal operators or other customers for any possible comparative vulnerabilities and focus sales and marketing efforts on those areas, to the detriment of the Postal Service. The Postal Service considers these to be highly probable outcomes that would result from public disclosure of the redacted material.

The financial workpapers include specific information such as costs, assumptions used in pricing decisions, the negotiated prices themselves, projections of variables, and contingency rates included to account for market fluctuations and exchange risks. All of this information is highly confidential in

the business world. If this information were made public, the Postal Service's competitors would have the advantage of being able to determine the absolute floor for Postal Service pricing, in light of statutory, regulatory, or policy constraints. Thus, competitors would be able to take advantage of the information to offer lower pricing to postal customers, while subsidizing any losses with profits from other customers. Eventually, this could freeze the Postal Service out of the relevant inbound delivery services markets. Given that these spreadsheets are filed in their native format, the Postal Service's assessment is that the likelihood that the information would be used in this way is great.

Potential customers could also deduce from the rates provided in Singapore Post Agreement Modification Three, the Singapore Post Agreement, or from the information in the workpapers whether additional margin for net contribution exists. The settlement charges between the Postal Service and the foreign postal operator constitute costs underlying the postal services offered to each postal operator's customers, and disclosure of this cost basis would upset the balance of Postal Service negotiations with contract customers by allowing them to negotiate, rightly or wrongly, on the basis of the Postal Service's perceived supplier costs. From this information, each foreign postal operator or customer could also attempt to negotiate ever-decreasing prices, such that the Postal Service's ability to negotiate competitive yet financially sound rates would be compromised. Even the foreign postal operator involved in the agreement and modification at issue in this docket could use the information in the

workpapers in an attempt to renegotiate the rates in its instrument by threatening to terminate its current modification to the Agreement.

Price information in Singapore Post Agreement Modification Three, the Singapore Post Agreement, and financial spreadsheets also consists of sensitive commercial information of the foreign postal operator. Disclosure of such information could be used by competitors of the foreign postal operator to assess the foreign postal operator's underlying costs, and thereby develop a benchmark for the development of a competitive alternative. The foreign postal operator would also be exposed to the same risks as the Postal Service in customer negotiations based on the revelation of their supplier costs.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Harm: Public disclosure of the prices in Singapore Post Agreement Modification Three, the Singapore Post Agreement, as well as any negotiated terms, would provide foreign postal operators or other potential customers extraordinary negotiating power to extract lower rates from the Postal Service.

Hypothetical: The negotiated prices are disclosed publicly on the Postal Regulatory Commission's website. Another postal operator sees the prices. The other postal operator, which was offered rates that differ from those in the agreement or modification to the agreement, then uses the publicly available rate information to insist that it must receive lower rates than those the Postal Service has offered to it.

Harm: Public disclosure of information in the financial work papers would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing delivery service obtains unredacted versions of the financial workpapers from the Postal Regulatory Commission's website. It analyzes the workpapers to determine what the Postal Service would have to charge its customers in order to comply with business or legal considerations regarding cost coverage and contribution to institutional costs. It then sets its own rates, for products similar to what the Postal Service offers its customers, below that threshold and markets its purported ability to beat the Postal Service on price for international delivery services. By sustaining this below-market strategy for a relatively short period of time, the competitor, or all of the Postal Service's competitors acting in a likewise fashion, would freeze the Postal Service out of one or more relevant international delivery markets. Even if the competing providers do not manage wholly to freeze out the Postal Service, they will significantly cut into the revenue streams upon which the Postal Service relies to finance provision of universal service.

Harm: Public disclosure of information in the financial workpapers would be used detrimentally by the foreign postal operator's competitors.

Hypothetical: A competing international delivery service obtains a copy of the unredacted version of the financial workpapers from the Postal Regulatory Commission's website. The competitor analyzes the workpapers to assess the foreign postal operator's underlying costs for the corresponding products. The competitor uses that information as a baseline to negotiate with U.S. companies to develop lower-cost alternatives.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant market for international delivery products (including both private sector integrators and foreign postal operators), as well as their consultants and attorneys. Additionally, the Postal Service believes that actual or potential customers of the Postal Service for this or similar products (including other postal operators) should not be provided access to the non-public materials. This includes the counter-party to the Agreement with respect to all materials filed under seal except for the text of the Singapore Post Modification Three and the Singapore Post Agreement, to which that counter-party already has access.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.

**MODIFICATION FOUR TO THE
SINGAPORE POST LIMITED - UNITED STATES POSTAL SERVICE
SMALL PACKET WITH DELIVERY SCANNING BILATERAL AGREEMENT**

This Modification amends the Singapore Post Limited – United States Postal Service Small Packet with Delivery Scanning Bilateral Agreement ("Agreement") between Singapore Post Limited ("Singapore Post Limited"), a company incorporated under the laws of the Republic of Singapore and having a place of business at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, signed by Singapore Post Limited on September 20, 2011, and by the USPS on October 5, 2011, as amended by:

- Modification One signed by Singapore Post Limited on December 2, 2011, and by the USPS on December 13, 2011;
- Modification Two signed by Singapore Post Limited on November 29, 2012, and by the USPS on November 30, 2012; and
- Modification Three signed by Singapore Post Limited on May 6, 2013, and by the USPS on May 6, 2013.

Singapore Post Limited and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make two changes to the Agreement.

The first change is to replace the sentence that reads "The Agreement will remain in effect until March 31, 2014." with the following replacement text:

The Agreement will remain in effect until March 31, 2015.

The second change is to add the following sentence to the end of section 3 Dispatch Manifesting, of the Dispatch Preparation Requirements section, of Annex 2 Small Packet with Delivery Scanning Requirements of the Agreement.

The Exempt indicator in the PREDES message will reflect "N".

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals from, and/or non-objection by (hereinafter "Conditions Precedent") one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include but are not limited to: approvals or, if applicable, non-objection, from USPS management, the USPS executive committee, the Governors of the USPS, and the U.S. Postal Regulatory Commission. The Parties acknowledge that the Agreement might not be approved by such bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS or Singapore Post Limited and no benefit or rights

granted through this Agreement shall inure to either Party unless and until the Effective Date occurs and upon such occurrence the Conditions Precedent shall have been fulfilled.

In the event that the Conditions Precedent are not fulfilled, the USPS and Singapore Post Limited shall have no liability, which shall include no obligation to pay costs associated with any action taken by Singapore Post Limited prior to the Effective Date of the Agreement. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

Singapore Post Limited acknowledges that as part of securing approval of this Agreement and in other subsequent regulatory filings, United States law may require that this Modification and supporting documentation be filed with the U.S. Postal Regulatory Commission ("Commission") and the U.S. Department of State in a docketed proceeding. Singapore Post Limited authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. Singapore Post Limited further understands that any unredacted portion of this Modification or supporting information may be posted on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including Commission docket numbers ACR2014 and ACR2015. Singapore Post Limited has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>. At Singapore Post Limited's request, USPS will notify Singapore Post Limited of the docket number of the Commission proceeding, if any, used in connection with the filing of this Modification.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Modification.

SINGAPORE POST LIMITED



Signature

Goh Hui Ling (Ms)
Head
International Mail

Title

29 Jan 2014

(Date)

UNITED STATES POSTAL SERVICE



Signature

Giselle Valera
Managing Director, Global Business and
Vice President

January 29, 2014

(Date)

SINGAPORE POST LIMITED – UNITED STATES POSTAL SERVICE SMALL PACKET WITH DELIVERY SCANNING BILATERAL AGREEMENT

This Agreement ("Agreement") is between the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States with offices at 475 L'Enfant Plaza, SW, Washington, DC 20260, and Singapore Post Limited ("Singapore Post Limited"), a company incorporated under the laws of the Republic of Singapore and having a place of business at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600. The USPS and Singapore Post Limited may be referred to individually as a "Party" and together as the "Parties."

INTRODUCTION

WHEREAS, the Parties desire to enter into a non-exclusive relationship whereby the Parties will provide each other certain products and/or services pursuant to the terms and conditions contained herein;

WHEREAS, the Parties acknowledge and understand that the commencement of performance under this Agreement is subject to the approval of and/or non-objection by various entities with oversight responsibilities, which may include but not be limited to the USPS management's executive committee, the USPS Governors, and/or the U.S. Postal Regulatory Commission. Accordingly, Singapore Post Limited acknowledges and understands that the ability of the USPS to perform under this Agreement may not occur, and in this respect the provisions of Article 2 and 3 shall apply;

WHEREAS, in light of the aforementioned acknowledgements, the Parties desire to be bound by the terms of this Agreement as well as the terms of Article 3 of this Agreement entitled "Conditions Precedent";

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties hereby agree as follows:

Article 1: Purpose of the Agreement

The purpose of this Agreement is to develop a new packet with delivery scanning product for small packets that meet certain minimum size requirements, do not exceed 2 kilograms in weight, and are within the size limits established in Universal Postal Union Letter Post Regulations Article RL 122, as specified in Annexes 1 and 2 of this Agreement.

Article 2: Oversight and Effective Date

The terms and pricing set forth under this Agreement require the approval from various entities that have oversight responsibilities for the USPS as set out in Article 3 below. Upon execution of this Agreement, the USPS shall seek such approval. This Agreement shall come into effect upon all such approvals having been obtained by USPS and notification to Singapore Post Limited by USPS that all such approvals have been obtained, and the date of notification shall be "the Effective Date," unless an alternative date is proposed in the USPS's notification and agreed to by Singapore Post Limited in a return communication, in which case that alternative date shall be the Effective Date.

Article 3: Conditions Precedent

The Parties acknowledge and understand that all obligations of the USPS under this Agreement shall be contingent on the USPS receiving approvals from, and/or non-objection by (hereinafter "Conditions Precedent") one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include but are not limited to: approvals or, if applicable, non-objection, from USPS management, the USPS executive committee, the Governors of the USPS, and the U.S. Postal Regulatory Commission. The Parties acknowledge that the Agreement might not be approved by such bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS or

Singapore Post Limited and no benefit or rights granted through this Agreement shall inure to either Party unless and until the Effective Date occurs and upon such occurrence the Conditions Precedent shall have been fulfilled.

Article 4: Limitation on Liability and Costs related to Conditions Precedent and Termination

In the event that the Conditions Precedent are not fulfilled, the USPS and Singapore Post Limited shall have no liability, which shall include no obligation to pay costs associated with any action taken by Singapore Post Limited prior to the Effective Date of the Agreement. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

Article 5: Price Changes; No Effect on Service Terms

For each of the services with specific terms and conditions set forth in an attachment to this Agreement, any adjustments to the rates for the services shall be subject to the terms and conditions set forth in the Annexes.

Article 6: Monetary Transactions

1. Each Party will bear the costs and retain the revenues for any work performed by itself and by agents or contractors on its behalf, unless the Parties agree to other arrangements to allocate costs or revenues and those arrangements are incorporated in an Amendment to this Agreement. Any such Amendment shall be governed by Article 18 below.
2. All taxes and duties are the sole responsibility of the Party to whom they are duly assessed and shall not be charged to any other Party in any form unless the Parties otherwise provide in an Amendment to this Agreement. Any such Amendment shall be governed by Article 18 below.

Article 7: Customs Inspection

USPS bears no responsibility for the disposition of items in the custody of U.S. Customs & Border Protection. Further, Singapore Post Limited understands that all contents of any item, including items that are treated as sealed mail under USPS regulations, are subject to inbound search and inspection by U.S. Customs & Border Protection, regardless of when the USPS elects to conduct verification and acceptance of any inbound items.

Article 8: Termination

1. Either Party may terminate this Agreement without cause upon 30 days advance written notice to be served on the other Party, with such termination effective as of the end of the calendar month in which the 30-day notice period expires. The right to terminate the Agreement for good cause remains unaffected.
2. In the event of termination of the Agreement under this Article, the Parties shall be liable to make final settlement of all amounts owing as of the effective date of the termination. Each Party shall bear its own costs in the event of termination without cause. All further rights and remedies shall remain unaffected.
3. In the event of termination, and as of the effective date of termination, the Parties shall revert to the default rates applicable under the Universal Postal Union Convention effective at the time of such termination, and neither Party shall be liable to the other for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential or any other damages.

(including, without limitation, damages for loss of business profits, business interruption or any other loss) for any reason incurred as a result to the change of rates after termination.

Article 9: Governing Law

This agreement shall be construed under and governed by the federal laws of the United States.

Article 10: Dispute Resolution

1. The Parties intend to resolve all controversies under this Agreement informally through correspondence, oral communications, and informal meetings.
2. If the method described in the above paragraph proves insufficient to resolve a controversy, the Parties agree that the signatories to this agreement, or their replacement, shall provide a written description of the controversy to the other Party and a suggested outcome. The Parties will review the information provided and shall attempt in good faith to come to an agreement on the issue through correspondence, oral communications, or informal meetings.
3. If the methods described in the above paragraph prove insufficient to resolve a controversy, the Parties agree that each Party may exercise its right to terminate this Agreement, or an action relating to cost or revenue liability may be instituted and maintained only in the United States District Court for the District of Columbia.
4. Notwithstanding the provisions of this Article 10, and without prejudice to Article 11, paragraph 1, in the event of conflict or inconsistency between the provisions of this Article 10 and Article 11, paragraph 1, the provisions of Article 11, paragraph 1 shall apply.

Article 11: Indemnification and Liability

1. The Parties acknowledge that aspects of liability or indemnification not expressly governed by this Agreement or its regulations are subject to the appropriate provisions of the Acts of the Universal Postal Union and any reservations the Parties have taken to those instruments.
2. In the event that an entity not party to this Agreement asserts claims against a Party to this Agreement ("the defending Party") that are attributable to the actions of the other Party to this Agreement, the Party against which claims have not been directly asserted ("the indemnifying Party") shall indemnify the defending Party for, and hold the defending Party harmless from, any losses, damages or liabilities suffered by the defending Party as a result. In that instance, the indemnifying Party shall also reimburse the defending Party for all reasonable expenses incurred in connection with investigating, preparing for, or defending any such claim, whether in an administrative, regulatory or judicial proceeding, and whether or not the indemnified Party is named in the proceeding.
3. Except for liability and indemnification as described in Article 11, paragraphs 1 and 2, and final settlement under Article 8, no Party to this Agreement shall be liable to the other Party for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential or any other damages (including, without limitation, damages for loss of business profits, business interruption or any other loss) for any reason, including, but not limited to, breach of any term of this Agreement or negligence.
4. Nothing in this Agreement shall be construed as an acknowledgment or concession regarding the validity of any claim or the entitlement of any Party to any amount of damages.

Article 12: Language

The official version of this Agreement, including all supporting documentation and correspondence, shall be in English. The English language shall be the controlling language for the purpose of interpreting this Agreement, and all correspondence between the Parties pertaining to this Agreement shall be in the English language. In the event of inconsistency between any terms of this Agreement, including its supporting documentation and correspondence, and any translation into another language, the English language meaning shall control.

Article 13: Confidentiality Requirements

1. The Parties consider the rate information included in this Agreement to be commercially sensitive information and agree that it should not be disclosed to third parties except as required by law. Except as required by Singapore law, direction of statutory or regulatory authority or stock exchange, Singapore Post Limited will treat as confidential and not disclose to third parties, absent express written consent by the USPS, any information related to this Agreement that is treated as non-public by the U.S. Postal Regulatory Commission. Except as required by U.S. law, USPS will treat as confidential and not disclose to third parties, absent express written consent by Singapore Post Limited, any information related to this Agreement and proprietary to Singapore Post Limited that is treated as non-public by the U.S. Postal Regulatory Commission.
2. Singapore Post Limited acknowledges that as part of securing approval of this Agreement and in other subsequent regulatory filings, the Agreement and supporting documentation will be filed with the U.S. Postal Regulatory Commission (Commission) in a docketed proceeding. Singapore Post Limited authorizes the USPS to determine the scope of information that must be made publicly available under the Commission's rules. Singapore Post Limited further understands that any unredacted portion of this document may be posted on the Commission's public website, www.prc.gov. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost, or volume data) in other Commission dockets. Singapore Post Limited has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website: www.prc.gov/Docs/63/63467/Order225.pdf. The U.S. Postal Service will notify Singapore Post Limited of the docket number of the Commission proceeding, if any, used in connection with this agreement.

Article 14: Severability

If any of the provisions of this Agreement shall be held void or unenforceable, the other provisions shall survive and remain in full force and effect, subject only to either Party's unilateral right to terminate the Agreement.

Article 15: Notices

Any notice or other document to be given under this Agreement will be in writing and addressed as set out below. Notices may be delivered by hand, email, or Express Mail.

To the USPS:

Kang Zhang
Director, Global Business Solutions
United States Postal Service
475 L'Enfant Plaza, SW, Room 2P800
Washington, DC 20260
1-202-268-8918
kang.zhang@usps.gov

To Singapore Post Limited:

Shankar .S
Business Manager (International Mail Business)
Singapore Post Limited
10, Eunus Road 8, Singapore Post Center,
#07-31B, International Mail Business
Singapore 40860
Tel: 65 6845 6105
email: Shankar@singpost.com

Article 16: Force Majeure

Neither party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid, court orders, whether valid or invalid, inability to obtain material, equipment, or transportation, and any other similar or different contingency.

Article 17: Legal Status of this Agreement

This Agreement constitutes a legally binding agreement on the part of each signatory hereto and does not bind the Parties' respective governments. The Parties acknowledge that this Agreement sets out the terms and conditions of a negotiated contractual arrangement between the Parties and is not an agreement entered into or subject to international law. This Agreement does not involve the creation of a wholly-owned subsidiary of any Party or a joint venture company or partnership funded in any ratio by the Parties. The Parties do not intend that any agency or partnership relationship be created between any of them by this Agreement.

Article 18: Amendment

This Agreement may be amended or extended only by mutual written agreement signed by authorized representatives of Singapore Post Limited and USPS. Neither a Party's acquiescence in any performance at variance to this Agreement nor a Party's failure to exercise any right or enforce any obligation shall be deemed an amendment to this instrument. The Amendment may be contingent upon any and all necessary approvals by USPS management, the USPS Board of Governors, and/or the U.S. Postal Regulatory Commission. If such approvals are required, the Amendment will not become effective until such time as all necessary approvals are obtained.

Article 19: Assignment

This Agreement may not be assigned in whole or in part by any Party without the prior written consent of the other parties. Each Party may, however, delegate certain of its responsibilities under this Agreement to a subsidiary or other affiliate entity within its organizational structure without the need for consent by the other Parties so long as such subsidiary or entity would be bound by this Agreement.

Article 20: Applicability of Other Laws

1. The Parties acknowledge that this Agreement does not involve the USPS's acquisition of property or services and is not subject to the Contract Disputes Act (41 U.S.C. §§ 601 et seq.).
2. The Parties recognize that performance under this Agreement may be subject to laws enacted or enforced by governmental entities and is contingent on each Party obtaining all consents, authorizations, orders, or approvals required under applicable law or policy to effectuate the Agreement.

3. The Parties understand that USPS may be required to provide copies of this Agreement to the U.S. Department of State and the U.S. Postal Regulatory Commission. Singapore Post acknowledges that the entire Agreement or portions thereof as the USPS determines to be appropriate shall be filed with the U.S. Postal Regulatory Commission with a notice to add the Agreement to the competitive and/or market dominant products list.

Article 21: Entire Agreement

1. Except as otherwise provided in this Agreement, this Agreement, including all Annexes to this Agreement, constitutes the entire agreement between the Parties concerning the exchange of international mail described herein. Except as otherwise indicated in this agreement, any prior agreement, understanding, or representation of any kind pertaining to the subject matter of this Agreement and preceding the date of this Agreement shall not be binding upon either Party.
2. The Parties acknowledge that the provisions of the Universal Postal Convention and applicable regulations apply except to the extent inconsistent with this Agreement.

Article 22: Term

The USPS will notify Singapore Post Limited of the Effective Date of the Agreement within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS. USPS shall have no obligation to notify Singapore Post Limited of the status of the approval process or of potential fulfillment of the approval process. The Agreement will remain in effect for one calendar year after the Effective Date unless terminated sooner pursuant to Article 8. Upon the expiration of this year period, the Agreement shall be re-evaluated by both Parties on whether to extend the agreement for the next calendar year or modify the Agreement.

Article 23: Intellectual Property, Co-Branding, and Licensing

The Parties acknowledge that in the service of improving existing international products or developing new international products under this Agreement that such products may be enhanced through the use of co-branding or the use of each Party's trademarks, logos or intellectual property. In such instances, the Parties acknowledge and agree that any use shall be subject to separate written agreements. The Parties acknowledge and agree that neither Party shall use the other Party's trademarks, logos or intellectual property until such time that a license for each specific such use has been executed by the Parties and all laws and regulations required for such license's effectiveness have been perfected, which shall include but not be limited to any recordation requirements.

Article 24: Survival

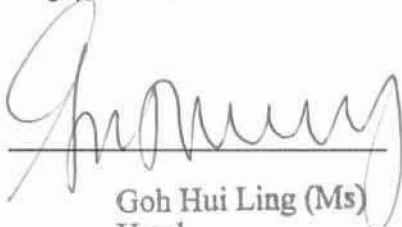
The provisions of Articles 4, 8, 9, 10, 11, 12, 13, 14, 15, 21, 22, and 23 shall survive the conclusion or termination of this agreement, as well as any other terms insofar as they apply to the Parties' continuing obligations to one another under the articles listed above.

Article 25: Paragraph Headings and Reference Citations

The titles to the paragraphs of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Agreement.

Singapore Post Limited


Goh Hui Ling (Ms)
Head
International Mail

20 SEP 2011
Date

United States Postal Service


Giselle Valera
Vice President and Managing Director, Global Business

10/5/2011
Date

Annex 1: Small Packet with Delivery Scanning Post Settlement Rates

Rates

The rates below shall be in effect for the term of this Agreement, as set forth in Article 22. Changes in rates during the term of this Agreement will be negotiated and agreed to in accordance with Article 18.

The provisions of Articles 3 and 4 shall apply to the USPS's ability to give effect to any agreed-upon rates, such that the agreement of the USPS to any change in rates is accordingly contingent upon any and all necessary approvals by Postal Service Management, the USPS Board of Governors, and/or the U.S. Postal Regulatory Commission. The approval process may extend well beyond the originally intended effective date. If such approvals are required, the rates cannot become effective until such time as all necessary approvals are obtained.

Settlement rates listed in the tables included below are product stream rates per item and per kilogram stated in Special Drawing Rights (SDRs) unless noted otherwise. These rates do not include applicable Air Conveyance charges. Any changes to current specifications (i.e., sortation and preparation) must be agreed to in writing by both parties as provided in Article 18 of this Agreement.

SINGAPORE TO THE USA

Stream /1	Service Description	2011 (in SDR) /2	
		PER ITEM	PER KG
A,UD,BG	SMALL PACKET WITH DELIVERY SCANNING		

Annex 2 – Small Packet with Delivery Scanning Requirements

Package Specific Preparation Requirements

1. **Package Dimensions and Weight.** Each package shipped under this agreement must exceed any of the maximum size limits established by the USPS for a Flat, which are the following:
 - A length less than or equal to 381 mm (15 inches)
 - A width less than or equal to 292 mm (11 1/2 inches), and
 - A thickness less than or equal to 20 mm (3/4 inch).In addition, each package must not exceed 2 kilograms in weight and must meet the size limits set forth in Universal Postal Union Letter Post Regulations Article RL 122.
2. **Package Contents.** Packages shall conform to the importation restrictions of the United States as set forth in the *Mailing Standards of the United States Postal Service*, International Mail Manual, section 710 ("Treatment of Inbound Mail"), which can be accessed online at http://pe.usps.com/text/imm/imm7_001.htm; and in accordance with the United States country listing in the Universal Postal Union's List of Prohibited Items, which can be accessed at the Universal Postal Union website at <http://www.upu.int/en/activities/customs/list-of-prohibited-articles.html>. Packages should also conform to USPS's regulations on Mailable Dangerous Goods as set forth in IMM section 135, which can be accessed online at http://pe.usps.com/text/imm/imm1_013.htm. USPS shall not be responsible for the contents or customs status of any packages imported under this Agreement. For packages seized or disposed of by U.S. Customs and Border Protection and not released, the sending post will not be charged postage for those packages. For packages detained but eventually released, applicable postage will apply. The sending post agrees to communicate these requirements to shippers as a condition of shipment.
3. **Package Labeling.** The bilaterally agreed upon, co-designed label will be displayed on the outside of each small packet with delivery scanning. Customers in Singapore will use the Singapore Post-certified software to print labels which will include a barcode that meets the specifications set forth in UPU Letter Post regulations. The sample label is presented in Annex 3. In addition, each item will display a completed and accurate customs declaration.

Receptacle Preparation Requirements

1. **Separation from other products.** The Small Packet with Delivery Scanning product that is described in this Agreement will be sorted in receptacles separate from other mail pieces. Other international products, including, but not limited to, other Letter Post products (such as Registered Mail), Express Mail Service (EMS), Air Parcels (Air CP), and direct entry packages, may not be commingled in receptacles containing Small Packet with Delivery Scanning items.
2. **Receptacle Identification.** Each receptacle will contain a 29-character UPU barcode containing the bilaterally agreed-upon mail subclass code of "UD."
3. **Receptacle Routing.** To expedite the processing and delivery of these packages, the sending post may present receptacles to corresponding Offices of Exchange (OEs) per the routings outlined in Annex 5.

Dispatch Preparation Requirements

1. **Separation from other products.** The Small Packet with Delivery Scanning product that is described in this Agreement will be dispatched separately from other mail pieces. Other international products, including but, not limited to, other Letter Post products, Express Mail

Service (EMS), Air Parcels (Air CP), and direct entry packages, may not be commingled in dispatches containing Small Packet with Delivery Scanning items.

2. **Dispatch Identification.** Each dispatch will contain the bilaterally agreed-upon mail subclass code of "UD" and unique dispatch numbers, which shall not repeat within any settlement period.
3. **Dispatch Manifesting.** Each dispatch will be manifested using the existing PREDES messages, whereby the number of receptacles and the total weight and number of pieces contained in each receptacle will be transmitted as accurately and timely as possible.

Financial Requirements

Upon launching the Small Packet with Delivery Scanning, USPS and Singapore Post Limited shall settle these volumes, and other Letter Post volumes in accordance with current Letter Post settlement procedures. However, Small Packet with Delivery Scanning volumes will be identified and segregated from other Letter Post volume through the assignment of the "UD" mail subclass. At the end of the settlement period, the corresponding rate, as determined in this agreement, shall be applied to the corresponding Letter Post volume, as identified by the mail subclass. Singapore Post Limited agrees to generate unique dispatch numbers throughout the course of the settlement period.

In the interim, USPS and Singapore Post Limited shall establish a working group to jointly develop and finalize the monthly invoicing and quarterly settlement procedures. The joint development of the quarterly settlement process will ensure each party's accounting and operational processes are taken into consideration and utilized in the future settlement process.

Return Service, Customer Inquiries and Compensation

1. **Return Service.** Return service for undeliverable, refused, or missent packages will be provided consistent with the current procedures for letter-post small packets.
2. **Customer Inquiries.** USPS will not accommodate customer inquiries made by customers in either Singapore or the United States through retail units, customer service hotlines, or other channels for Small Packets with Delivery Scanning.
3. **Compensation.** USPS does not offer indemnity or insurance for Small Packages with Delivery Scanning. Accordingly, unless the Parties agree otherwise in a separate written agreement, USPS shall have no such liability.

Service Standards

Small Packets with Delivery Scanning under this Agreement carry no day- or time-specific guarantee. Applicable domestic service standards apply once the packages are cleared through U.S. Customs & Border Protection and entered into the U.S. domestic mailstream.

Annex 3 Co-Designed Label Samples

Below are sample labels for Small Packets with Delivery Scanning.

<div></div>		<div></div>		<div>Air Mail Postage Paid</div>	
<div>From:</div>		<div>FOREIGN SENDER STREET ADDRESS CITY COUNTRY POSTAL CODE</div>			
		<div> ZIP 12345</div>			
<div>TO:</div>		<div>US RECIPIENT NAME STREET ADDRESS SUITE/ APT NUMBER WASHINGTON DC 12345-1234</div>			
<div>USPS DELIVERY CONFIRMATION</div> <div></div>					

Annex 4 – Detailed Item Content Restrictions

All items mailed under this Agreement must conform to the mailability requirements of the United States Postal Service, as detailed in the International Mail Manual sections 135 and 710; the United States country listing in the Universal Postal Union's List of Prohibited Items; and Domestic Mail Manual section 601. As of the execution date of this Agreement, these materials are available at the following websites, respectively:

http://pe.usps.gov/text/imm/immc1_013.htm

http://pe.usps.com/text/imm/immc7_001.htm

<http://www.upu.int/en/activities/customs/list-of-prohibited-articles.html>

<http://pe.usps.gov/text/dmm300/601.htm>

Annex 5 – Suggested Office of Exchange Routing Details

The following table illustrates the appropriate U.S. point of entry based on the first digit of the destination address postal code. A more detailed table based on the first three digits can be provided upon request.

First Digit of Postal Code	Desired U.S. Point of Entry
0	JFK - New York
1	JFK - New York
2	JFK - New York
3	JFK - New York
4	ORD - Chicago
5	ORD - Chicago
6	ORD - Chicago
7	SFO – San Francisco
8	SFO – San Francisco OR LAX – Los Angeles
9	SFO – San Francisco OR LAX – Los Angeles

**MODIFICATION TWO TO THE
SINGAPORE POST LIMITED - UNITED STATES POSTAL SERVICE
SMALL PACKET WITH DELIVERY SCANNING BILATERAL AGREEMENT**

This Modification amends the Commercial Contractual Agreement ("Agreement") between Singapore Post Limited ("Singapore Post Limited"), a company incorporated under the laws of the Republic of Singapore and having a place of business at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, signed by Singapore Post Limited on September 20, 2011, and by the USPS on October 5, 2011. Singapore Post Limited and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make two changes to the Agreement.

The first change is to replace the sentence that reads "The Agreement will remain in effect for one calendar year after the Effective Date unless terminated sooner pursuant to Article 8." with the following replacement text:

The Agreement will remain in effect until June 30, 2013.

The second change is to replace Article 15 with the following replacement text:

Article 15: Notices

Any notice or other document to be given under this Agreement will be in writing and addressed as set out below. Notices may be delivered by hand, email, or Express Mail.

To the USPS:

Shea Felix
Director, Global Business Solutions
United States Postal Service
475 L'Enfant Plaza, SW, Room 2P800
Washington, DC 20260
1-202-268-6122
shea.r.felix@usps.gov

To Singapore Post Limited:

Shankar. S
Business Manager (International Mail Business)
Singapore Post Limited
10, Eunos Road 8, Singapore Post Center,
#07-31B, International Mail Business

Singapore 40860
Tel: 65 6845 6105
email: Shankar@singpost.com

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals from, and/or non-objection by (hereinafter "Conditions Precedent") one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include but are not limited to: approvals or, if applicable, non-objection, from USPS management, the USPS executive committee, the Governors of the USPS, and the U.S. Postal Regulatory Commission. The Parties acknowledge that the Agreement might not be approved by such bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS or Singapore Post Limited and no benefit or rights granted through this Agreement shall inure to either Party unless and until the Effective Date occurs and upon such occurrence the Conditions Precedent shall have been fulfilled.

In the event that the Conditions Precedent are not fulfilled, the USPS and Singapore Post Limited shall have no liability, which shall include no obligation to pay costs associated with any action taken by Singapore Post Limited prior to the Effective Date of the Agreement. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

Singapore Post Limited acknowledges that as part of securing approval of this Agreement and in other subsequent regulatory filings, the Agreement United States law may require that this Modification and supporting documentation will be filed with the U.S. Postal Regulatory Commission ("Commission") and the U.S. Department of State in a docketed proceeding. Singapore Post Limited authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. Singapore Post Limited further understands that any unredacted portion of this Modification or supporting information may be posted on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including Commission docket number ACR2013. Singapore Post Limited has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section

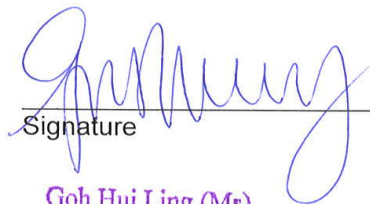
3007.22, on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>. At Singapore Post Limited's request, USPS will notify Singapore Post Limited of the docket number of the Commission proceeding, if any, used in connection with the filing of this Modification.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Modification.

SINGAPORE POST LIMITED

UNITED STATES POSTAL SERVICE



Signature

Goh Hui Ling (Ms)
Head
International Mail

29 Nov 2012

(Date)



Signature

Giselle Valera
Managing Director, Global Business and
Vice President

November 30, 2012

(Date)

**MODIFICATION THREE TO THE
SINGAPORE POST LIMITED - UNITED STATES POSTAL SERVICE
SMALL PACKET WITH DELIVERY SCANNING BILATERAL AGREEMENT**

This Modification amends the Commercial Contractual Agreement ("Agreement") between Singapore Post Limited ("Singapore Post Limited"), a company incorporated under the laws of the Republic of Singapore and having a place of business at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, signed by Singapore Post Limited on September 20, 2011, and by the USPS on October 5, 2011, as amended by Modification One signed by Singapore Post Limited on December 2, 2011, and by the USPS on December 13, 2011, and by Modification Two signed by Singapore Post Limited on November 29, 2012, and by the USPS on November 30, 2012. Singapore Post Limited and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make two changes to the Agreement.

The first change is to replace the sentence that reads "The Agreement will remain in effect until June 30, 2013." with the following replacement text:

The Agreement will remain in effect until March 31, 2014.

The second change is to replace the table that appears in Annex 1 of the Agreement with the following:

SINGAPORE TO THE USA			
Stream /1	Service Description		Contract Period (in SDR) /2
			PER ITEM PER KG
A,UD,BG	SMALL PACKET WITH DELIVERY SCANNING		

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals from, and/or non-objection by (hereinafter "Conditions Precedent") one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include but are not limited to: approvals or, if applicable, non-objection, from USPS management, the USPS executive committee, the Governors of the USPS, and the U.S. Postal Regulatory Commission. The Parties acknowledge that the Agreement might not be approved by such bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS or Singapore Post Limited and no benefit or rights granted through this Agreement shall inure to either Party unless and until the Effective Date occurs and upon such occurrence the Conditions Precedent shall have been fulfilled.

In the event that the Conditions Precedent are not fulfilled, the USPS and Singapore Post Limited shall have no liability, which shall include no obligation to pay costs associated with any action taken by Singapore Post Limited prior to the Effective Date of the Agreement. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

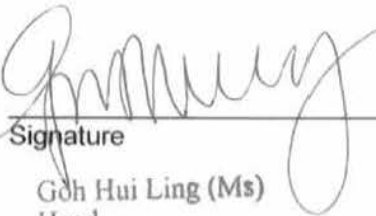
Singapore Post Limited acknowledges that as part of securing approval of this Agreement and in other subsequent regulatory filings, United States law may require that this Modification and supporting documentation be filed with the U.S. Postal Regulatory Commission ("Commission") and the U.S. Department of State in a docketed proceeding. Singapore Post Limited authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. Singapore Post Limited further understands that any unredacted portion of this Modification or supporting information may be posted on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including Commission docket numbers ACR2013 and ACR2014. Singapore Post Limited has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>. At Singapore Post Limited's request, USPS will notify Singapore Post Limited of the docket number of the Commission proceeding, if any, used in connection with the filing of this Modification.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Modification.

SINGAPORE POST LIMITED

UNITED STATES POSTAL SERVICE



Signature

Goh Hui Ling (Ms)
Head
International Mail

6 MAY 2013

(Date)



Signature

Giselle Valera
Managing Director, Global Business and
Vice President

May 6, 2013

(Date)